



Sonoma Water

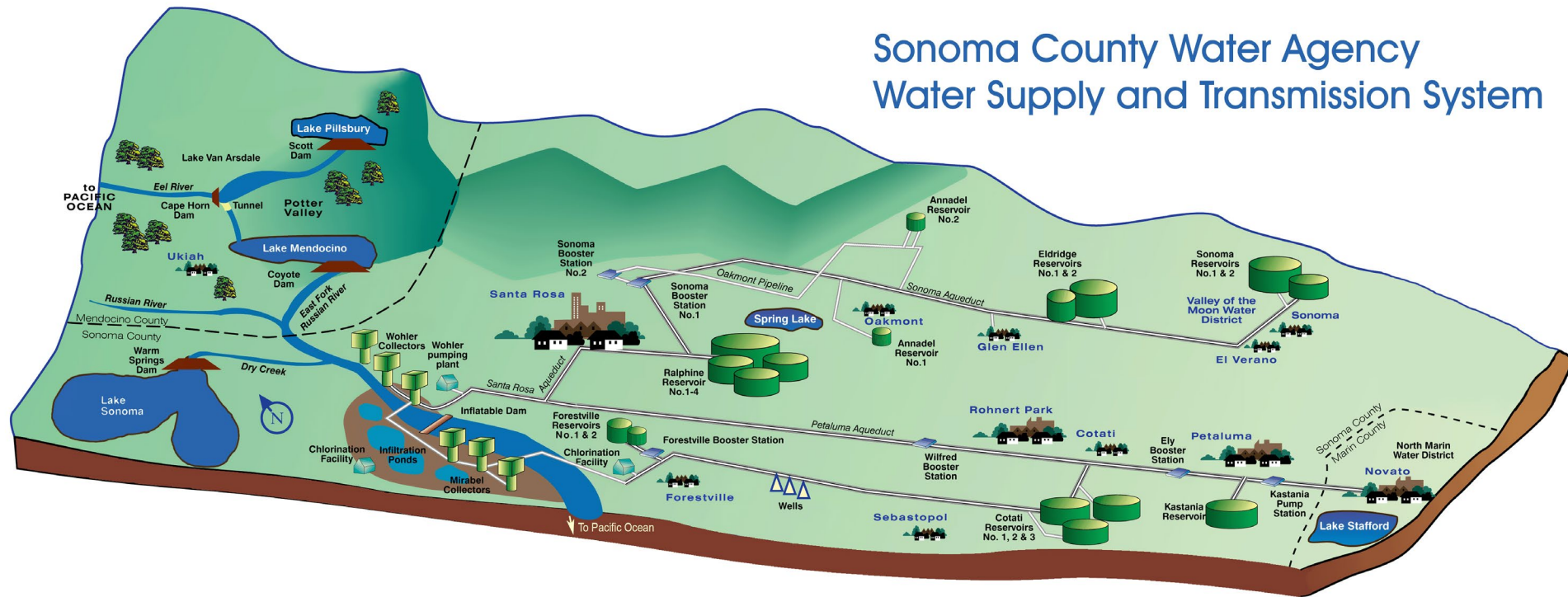
Clean. Reliable. Essential. Every day.

FY 2026-2027 Proposed Budget and Rates Water Transmission System

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Sonoma County Water Agency Water Supply and Transmission System



Tanks: 18 steel water storage tanks placed throughout the transmission system store about 129 million gallons.

Pipelines: Sonoma Water maintains over 88 miles of underground pipeline extending from the Russian River to the cities and water districts in our service area. The pipes range in size from 16 to 54 inches in diameter.

Collectors & wells: Sonoma Water has six collector wells adjacent to the Russian River. In addition, three wells in the Santa Rosa Plain are capable of providing about 4-6 million gallons per day.

Booster stations: Seven booster stations are located in the water transmission system with pumps to maintain water flow and adequate pressure within the aqueducts.



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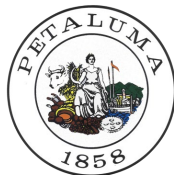
Transparent and collaborative process to bring rates to Board of Directors by end of April

Technical
Advisory
Committee
(Jan-March)

Water
Contractor
Boards &
Councils
(March)

Water
Advisory
Committee
(April)

Sonoma
Water Board
of Directors
(April)



Budget includes multiple water transmission system activities and funds

- Operations and Maintenance
- Four Subfunds
- Five Capital Funds
- Debt Service Funds



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Challenges

- Aging Infrastructure
- Rising operating and maintenance costs
- Water Usage
Fluctuations/Volumetric
Rate



Highlights of Sonoma Water and Water Contractor Achievements and Collaborations

- Santa Rosa Plain Wells
- Regional Water Supply Resiliency
- Hazard Mitigation Projects
- Sonoma-Marín Saving Water Partnership – Drought Resiliency
- Water Education Program
- Dry Creek Habitat Enhancement
- 2025 Biological Opinion



Highlights of Programs Funded from Other Sources

- Forecast Informed Reservoir Operations
- Advanced Quantitative Precipitation Information Systems
- Quagga and Zebra Mussels



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Proposed FY26-27 Rates

Santa Rosa Aqueduct	Petaluma Aqueduct	Sonoma Aqueduct
8.21%	8.97%	8.72%
\$1,515.87 per acre-foot	\$1,542.42 per acre-foot	\$1,706.23 per acre-foot
Cities of Santa Rosa, Town of Windsor	Cities of: Petaluma, Rohnert Park, Cotati	Cities of Sonoma, Valley of the Moon Water District
Cost per gallon: \$.005	Cost per gallon: \$.005	Cost per gallon: \$.005

SR WATER CUSTOMER IMPACTS

Billing Analysis for Typical Santa Rosa Household of 4 - Based on Average Summer Water Use

	Thousand Gallons	Current Charge	July Increase	New Amount
Water Usage - Tier 1	4.4	\$31.72	\$2.29	\$34.01
Water Usage - Tier 2	4.3	\$36.25	\$2.58	\$38.83
Fixed Charges		\$15.38	\$0.46	\$15.84
Estimated Monthly Water Billings		\$83.35	\$5.33	\$88.68
Estimated \$ Impact to Typical Household				\$5.33
Estimated % Impact to Typical Household				6.4%

This is a weighted-average calculation taking into consideration Sonoma Water's 8.21% increase to the wholesale water rate and Santa Rosa Water's 6% increase to its portion of the usage rate and fixed charges.

\$3.55 million budgeted for hazard mitigation projects to reduce risks

Bennett Valley Fault Crossing

River Diversion Structure (RDS) Upgrade Project

Seismic Retrofit of Storage Tanks

Wilfred Booster Station

\$7.36 million budgeted for other capital projects to increase resiliency

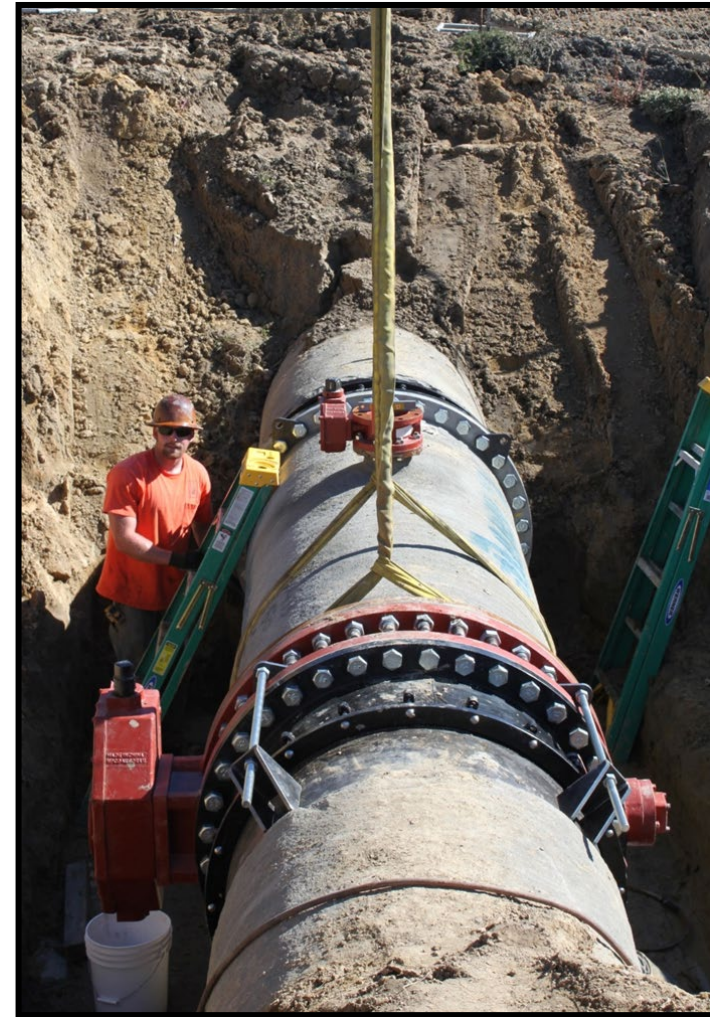
Kawana-Ralphine SBS Pipeline

Wohler Road Storage Building

Water Treatment System Modernization Phase 1

Water Treatment System Modernization Phase 3

Total FY26-27 Capital Budget including
Hazard Mitigation Projects: \$10.90M



\$48.75 million budgeted for operations and maintenance to protect, improve and maintain system reliability

Projects

Asset Management Plan

Emergency Inventory Procurement

Regional Water Supply Resiliency Implementation

SCADA Improvements

Tank Maintenance Program

Tank Rehabilitation Program

Studies

DeMuth Property Hydrogeologic Investigation

Natural Hazard Reliability Study

Transmission System Master Plan, Modeling & Condition Assessments Programs

Watershed Water Quality Study



\$10.09 million for Biological Opinion, Water Supply Planning and Water Conservation



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RUNNING?
BETTER CATCH IT!**

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SavingWaterPartnership.org/challenge



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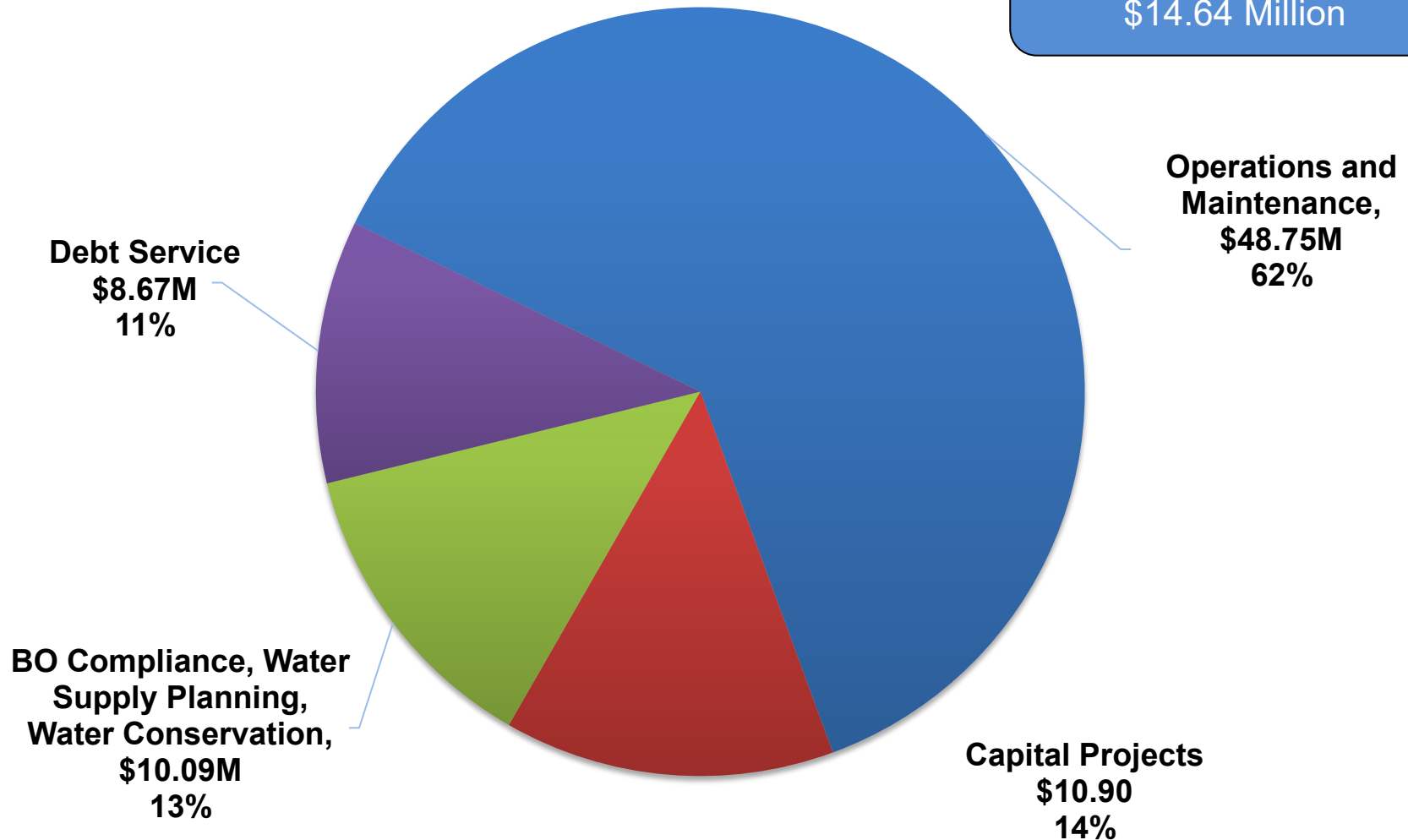
Expenditures compared to FY 25-26

	FY25-26	FY26-27	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$45.87	\$48.75	\$2.88
Capital Projects	\$18.28	\$10.90	(\$7.38)
BO Compliance, Water Supply Planning, Water Conservation	\$8.80	\$10.09	\$1.29
Debt Service	\$9.07	\$8.67	(\$0.41)
Totals	\$82.02	\$78.41	(\$3.62)

Grants, Use of Fund Balance, and Bond Proceeds	\$21.22	\$14.64	(\$6.58)
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FY 26-27 Budgeted Expenditures

Grants, Bond Proceeds,
and Use of Fund Balance
\$14.64 Million



Example of how rates are calculated

$$\frac{\$63,332,000}{41,776 \text{ AF}} = \$1,516/\text{Acre Foot}$$

↑ Water Sold: Restructured Agreement requires use of the Lesser of:

41,776 AF

or

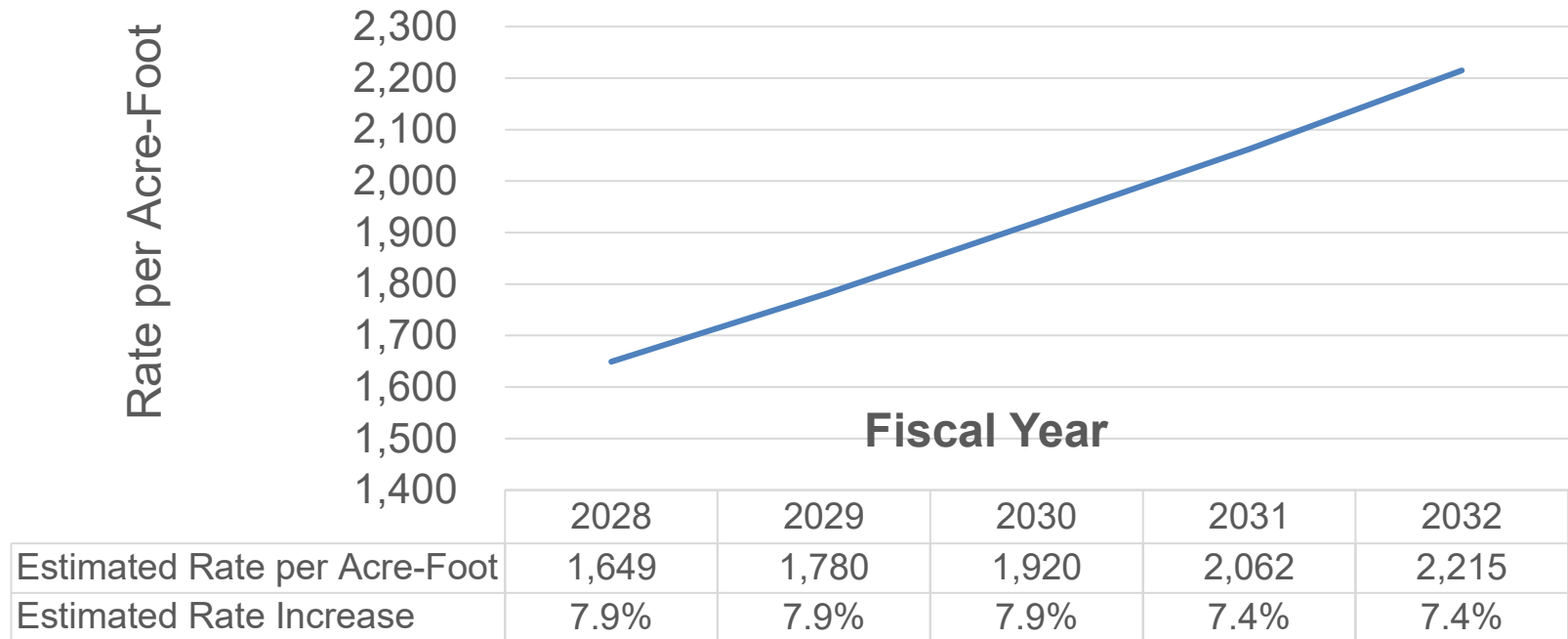
42,384 AF

Proposed Rates for FY 26-27

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	41,776		
O&M	\$1,106.05	\$1,106.05	\$1,106.05
Water Management Planning	\$2.63	\$2.63	\$2.63
Watershed Planning & Restoration	\$95.41	\$95.41	\$95.41
Recycled Water and Local Supply	\$0.00	\$0.00	\$0.00
Water Conservation	\$72.13	\$72.13	\$72.13
Total O&M	\$1,276.22	\$1,276.22	\$1,276.22
Storage & Common Bond/Loan Charges	\$228.65	\$228.65	\$228.65
Petaluma Aqueduct Bond/Loan Charge		\$27.55	
Sonoma Aqueduct Bond/Loan Charge			\$166.46
<i>Prime Contractors</i>	\$1,504.87	\$1,532.42	\$1,671.33
<u>Discretionary Charges</u>			
Capital Charges - to build fund balance for future projects	\$11.00	\$10.00	\$34.90
<i>Prime Contractors</i>	\$11.00	\$10.00	\$34.90
<i>Total Prime Contractors</i>	\$1,515.87	\$1,542.42	\$1,706.23
Total Overall Increase:	8.21%	8.97%	8.72%

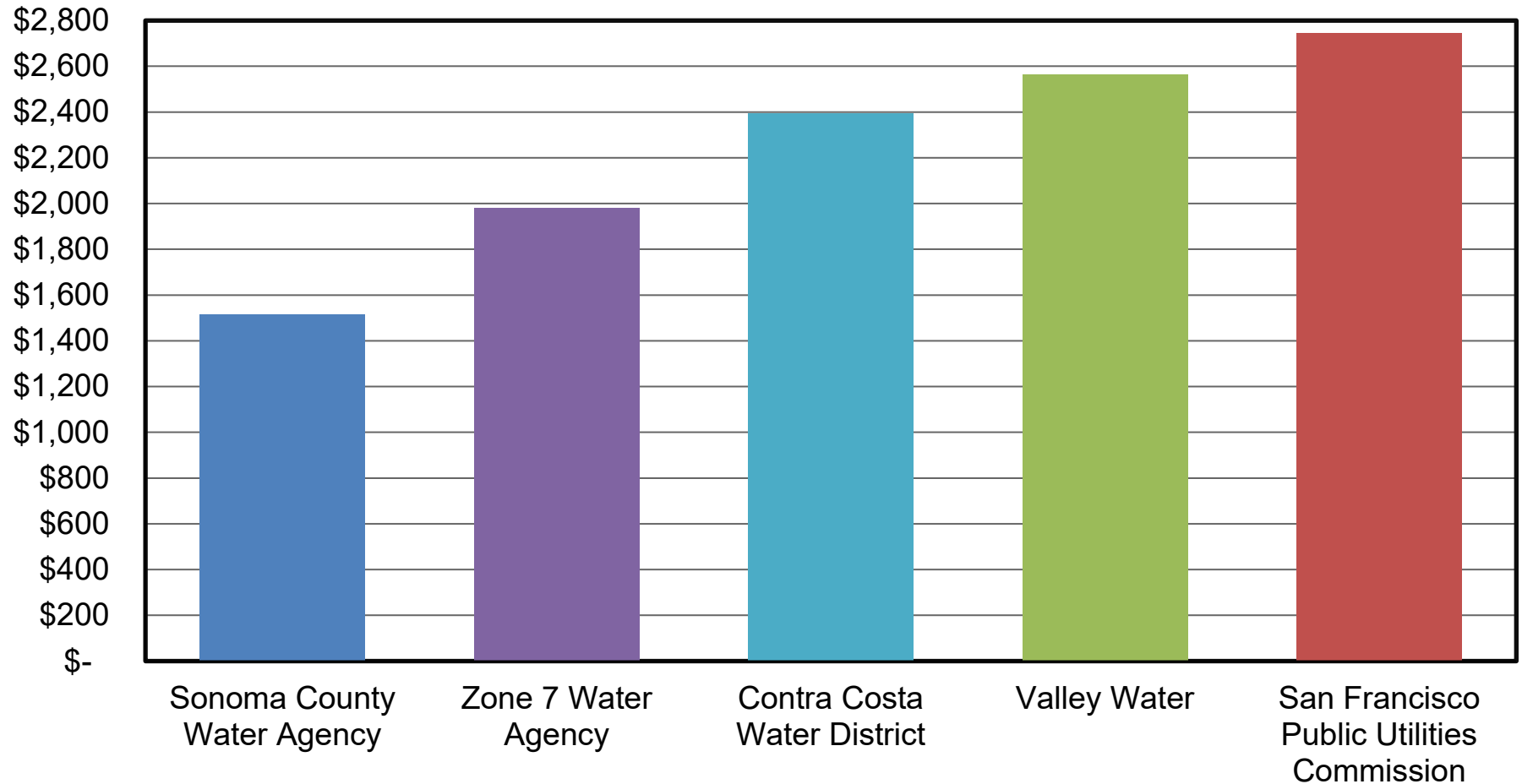
Long Range Financial Plan

Example Santa Rosa Aqueduct Rate Scenario



- Assumes Water Demand Growth of 1% based on Deliveries of 42,407 AF. Santa Rosa AQ Deliveries: 16,820 AF to 17,510 AF. Higher Deliveries would reduce rates.
- Estimated 6% growth in O&M Expenses.
- Estimated Financing FY 2028-2029: \$76.5 Million, FY2031-2032: \$89.8 Million.

2026 wholesale water rates per Acre-Foot



Notes:

- Water systems including treatment requirements and rate structures vary between entities making direct apples to apples comparisons difficult.
- 2025 wholesale rates used if 2026 rates have not been published.



Key Dates

- Technical Advisory Committee Vote –March 2
- Water Advisory Committee Vote – April 6
- Adoption by Sonoma Water's Board – April 28



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